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EDIFACT

Report by the Executive Secretary

1. The present report has been prepared in response to paragraph 246 of the Commission's report on its forty-sixth session in which "the Commission requested the Executive Secretary to report to it at its forty-seventh session on the implementation of decisions J and O (45)".

2. The present report will describe: (a) progress achieved by the Working Party on Facilitation of International Trade Procedures in 1991; (b) allocation of additional resources to EDIFACT work; and (c) interregional cooperation for the facilitation of international trade.

I. FACILITATION OF INTERNATIONAL TRADE PROCEDURES IN 1991

3. At its thirty-third and thirty-fourth sessions, held in March 1991 and September 1991 respectively, the Working Party on Facilitation of International Trade Procedures adopted a detailed and restructured programme of work on legal issues in order to reconcile legal features of commercial practices with the requirements of Electronic Data Interchange. It devoted particular attention to trade facilitation aspects of the transport of dangerous goods and to problems associated with the practice of pre-shipment inspection (PSI), an issue which is also under discussion in the framework of the GATT trade negotiations, with the aim of reaching international agreement on the subject.

4. In the field of procedures and documentation, the Working Party approved a new recommended "Layout Key for Cargo Insurance Documents". It revised Recommendation No.8 on Common Access Reference, providing for a new approach to a unique identification code methodology to be used between trading partners in referring to a transaction and/or consignment. It also revised Recommendation No.15 on Simpler Shipping Marks in order to incorporate references to bar coding and the unique identification code methodology.

5. The development of UN/EDIFACT messages is rapidly progressing within the framework of the EDIFACT Joint Rapporteurs programme set up by the Working Party. It may be recalled that, in March 1990, the Working Party had agreed on 11 electronic messages for Status 0 (for information) and decided to speed up the activities of the Rapporteurs. As a result, in September 1991, the Working Party conferred the status of United Nations Standard Message (UNSM, Status 2) to 16 new electronic messages, gave Status 1 (draft for formal trial) to 15 new messages and noted 22 new messages at Status 0. At present UN/EDIFACT includes recommendations for 18 standard messages (UNSM) approved for implementation, 16 messages for trial use and 35 messages for information. This means that 69 electronic messages are now at various stages of introduction and cover various dimensions of international trade transactions such as orders, payments, transport, customs, construction, etc.

6. The number of delegations and delegates participating in the activities of the Working Party has increased sharply. At the September 1991 session, the delegation of Israel participated as a new member of the ECE and delegations from Brazil, Gabon and Saudi Arabia also took part for the first time. Representatives from the Republic of Korea will participate at future sessions of the Working Party, that country having been admitted to membership in the United Nations. At the most recent session of the Working Party 160 delegates from 34 countries and 16 international organizations were present.

II. ALLOCATION OF ADDITIONAL RESOURCES TO EDIFACT WORK

7. In its decision 0 (45) the Commission identified trade facilitation as a priority area of work, attaching particular importance to the development of Electronic Data Interchange which would permit significant increases in time/cost efficiency in the conduct of international trade. It recalled its decision J (45) which requested the Executive Secretary to provide, from within existing resources, additional resources in support of the development of UN/EDIFACT. The Executive Secretary has regularly informed the ad hoc informal meetings of the Commission of steps taken and progress achieved in assigning redeployed resources to trade facilitation and EDIFACT work. All recruitment and redeployment procedures to this area of work have now been completed and appointments of regular staff made in the course of the first quarter of 1992.

8. In its decision 0 (45), the Commission also noted with satisfaction the contribution by several Governments and enterprises of extrabudgetary resources for the development and maintenance of UN/EDIFACT, and encouraged their continuation. However, no such contributions to EDIFACT were made in 1991. The Commission may therefore wish to reiterate its encouragement to member Governments and enterprises to provide extrabudgetary resources to EDIFACT trust funds which would be of particular interest to countries in transition and to countries developing from an economic point of view.

III. INTERREGIONAL COOPERATION FOR THE FACILITATION OF INTERNATIONAL TRADE

9. Taking into consideration the successes achieved by the Working Party and, notably, UN/EDIFACT and the global importance of its field of activity which has received international recognition, the Executive Secretaries of the regional commissions selected trade facilitation as a priority area for their cooperative action. At its second regular session in 1989, the Economic and Social Council adopted resolution 1989/113 which, inter alia, invited the regional commissions to formulate, jointly with the United Nations Conference on Trade and Development (UNCTAD) and within existing resources, a draft proposal for interregional cooperation in the area of trade facilitation and, in particular, the phased application of EDIFACT, wherever appropriate.

10. The draft proposal which incorporates the objectives, outputs and activities for interregional cooperation to promote UN/EDIFACT comprises four parts: training; networks of trade facilitation activities; UN/EDIFACT promotion and implementation; and regional participation in global facilitation work. It was presented to the Economic and Social Council at its second regular session of 1990 and endorsed by the Council in its resolution 1990/74.

11. At its second regular session in July 1991, the Council, recalling its previous resolutions on the subject and conscious of the need for coordinated action at the global level to ensure the effective promotion of international trade facilitation, adopted resolution 1991/76 by which it requested the regional commissions, jointly with UNCTAD, to elaborate specific projects relating to interregional cooperation in this field and present them to bilateral donors and funding organizations. The Council invited the United Nations Development Programme and other funding organizations to consider favourably the projects to be submitted by the regional commissions and UNCTAD. The ECE would be unable to proceed with the activities of the interregional project unless extrabudgetary funds and/or voluntary contributions in kind are made available for that purpose.

12. Noting that a solid foundation for UN/EDIFACT at the regional level should be created before proceeding to the global application of EDIFACT, it is the intention of the secretariat to start with the development of the training component of the regional project applicable to ECE economies in transition as well as to other ECE member countries where international facilitation of trade procedures is still at an early stage.

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13. In the light of the above, the Commission may wish to take note of the Executive Secretary's report E/ECE/1253.